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for info
S-365

16 September 1958

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MEMORANDUM FOR:

SUBJECT : Transmittal of Memorandum

It is requested that the attached memorandum be forwarded to:
Department of the Air Force; Headquarters, United States Air Force;
Assistant Chief of Staff, Intelligence, attention: Mr. Richard Oliver,
AFCIN-3A2E.

FOR THE ASSISTANT DIRECTOR, RESEARCH AND REPORTS:

25X1A9A

Office of Research and Reports

Attachment

Orig & 1 cc memorandum
dated 15 September 1958

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15 SEP 1958

MEMORANDUM FOR: Department of the Air Force; Headquarters,
United States Air Force; Assistant Chief of
Staff, Intelligence

ATTENTION: Mr. Richard Oliver, AFCLB-3A2E

SUBJECT: Information on Soviet Military Expenditures
and Prices

1. In response to your telephonic request of 2 September
we are transmitting the attached material



3. As was indicated in our conversation with Mr. William
George more current estimates are now in process. Those
estimates we are transmitting are from materials prepared in
support of a contribution to HIX 11-4-57, approximately one
year ago.

4. Should you or your staff have any further questions
please feel free to contact us.

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Acting Assistant Director

Attachments:
4 tables

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Table 1

Estimated Soviet Military Expenditures, 1962

	billions 1 July 1955 rubles	billions 1955 dollars
Major Programs*	<u>123</u>	<u>23</u>
Ground	<u>8.4</u>	<u>2.0</u>
ACVs	<u>2.3</u>	<u>0.3</u>
Weapons	1.3	0.3
Ammunition	2.1	0.5
Support equipment	1.1	0.2
Vehicles	0.7	0.1
Naval	<u>12</u>	<u>2.4</u>
Vessels	<u>11</u>	<u>2.3</u>
Mines and torpedoes	0.4	0.1
Vehicles	0.1	neg.
Air	<u>32</u>	<u>6.9</u>
Aircraft	<u>34</u>	<u>6.6</u>
Fighters	14	2.7
Bombers	17	3.4
Transport	1.4	0.3
Other	1.1	0.2
Aerial bombs	0.1	neg.
Organizational equipment	0.9	0.2
Vehicles	0.3	0.1
Guided missiles	<u>19</u>	<u>3.3</u>
Other**	<u>15</u>	<u>3.2</u>
Support***	<u>17</u>	<u>2.7</u>
Personnel	<u>54</u>	<u>13</u>
Army, navy, and air		
Pay and allowances	25	13.2
Other****	22	3.1
Militarized security forces		
Pay and allowances	5.4	1.4
Other****	2.3	0.3
TOTAL	<u>224</u>	<u>50</u>

Note: Detail may not add to totals because of rounding.

* Initial spares are included for major equipment.

** Includes expenditures for construction, command and warning systems, communications, research and development, and nuclear energy.

*** Includes outlays for POL, operating spares, civilian employees of the Ministry of Defense, medical care, transportation, printing and publishing, pensions, etc.

**** Includes expenditures for food, clothing, and miscellaneous supplies.

Table 2

Component Costs of Soviet Aircraft Expressed as Percentages of Total Aircraft Costs in Rubles and Dollars, 1962*

	Ruble Series	Dollar Series
Aircraft, Total	100	100
Airframes	40	43
Electronics	14	10
Engines	35	37
Fighters, Total	100	100
Airframes	28	31
Electronics	21	15
Engines	37	41
Bombers, Total	100	100
Airframes	51	52
Electronics	9	6
Engines	34	35
Bison	100	100
Airframe	47	49
Electronics	8	5
Engines	35	36
1958 Day Fighter	100	100
Airframe	19	20
Electronics	14	9
Engines	45	47

* Initial spares are included throughout.

Included in the totals, but not shown separately, are costs for accessories, propellers, and in the case of bombers, nuclear reactors (where appropriate).

Both the dollar and ruble values underlying these percentages are expressed in what might be termed average 1955 input prices for 1962; that is, the average physical inputs in 1962 are expressed in 1955 prices.

Table 3

Average Prices* of Soviet Aircraft Estimated in Production in 1962

	million 1 July 1955 rubles	million 1955 dollars
Fighters		
1958 all-weather	3.5	0.63
1958 day	2.9	0.56
1959 all-weather	3.2	0.58
1962 all-weather	6.1	1.2
Bombers		
Bison	22	4.3
1958 light	7.6	1.5
1961 medium	21	4.2
1962 heavy	120	24

* These average prices represent the average input prices for the entire production runs, through 1962, of the respective models. See the footnote to Table 2.

Table 4

Prices of Soviet Tanks and Naval Vessels, 1962

	thousand 1 July 1955 rubles	thousand 1955 dollars
Tanks*		
T-54	335	92
JS-4	312	92
	million 1 July 1955 rubles	million 1955 dollars
Naval Vessels**		
Destroyer, guided missile	146	30
Submarine,		
Conventional improved design	86	18
Destroyer escort	18	10

* Average input prices for 1962. See footnote to Table 2.

** These prices are based on analogy with similar US vessels; they are second ship prices, but not the prices that would result from serial production.